THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS) : (a) M/s. Reliance Assam Petrochemicals Ltd.(RAPL), a joint venture of Assam Industrial Development Corporation (AIDC) and Reliance Industries Ltd. (RIL), holds LOI for setting up the Assam Gas Cracker Project. Government of Assam, RIL and Reliance Group of companies/public would have 11%, 40% and 49% equity respectively.

(b) Government has been constantly monitoring and reviewing the progress in implementation of the Assam Gas Cracker Project. M/s. RAPL had taken measures such as identification of site, conducting Environment Impact Assessment Study, part acquisition of land etc. However, due to objections raised by the Chabua Air Force Authorities, the project was required to be relocated. An alternate site has since been identified and Environment Impact Assessment Study has commenced. RAPL and Oil India Ltd. (OIL) have initialled the agreed clauses of the Gas Supply Agreement on March 14, 2000. Some technical issues relating to the Gas Supply Agreement are currently under negotiation between RAPL and OIL.

Expenditure on Payment to Domestic Units for Urea

4254. SHRI AMAR SINGH : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) whether it is a fact that imported urea's cost comes to Rs. 4300 per tonne whereas the Government of India pay local urea firms, such as the Public Sector HFC, a whopping of Rs. 16722 per tonne, and Rs. 14309 to Madras Fertilizer;

(b) if so, what are the details thereof and the Total extra expenditure incurred by Government on payment to domestic fertilizer plants; and

(c) what are the specific reasons for incurring such huge expendiure ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) to (c) The cost of imported urea varies significantly even in short periods and depends also on the off-take by major buyers like India in the market. Government of India subsidises production of indigenous urea manufacturers under the Retention Price-cum-Subsidy Scheme. Retention price is fixed for each unit and is a combination of norms and actuals. The retention price for each unit varies from unit-to-unit depending upon the health and vintage of the plant, the feedstock used, the levels of capacity utilisation, energy consumption, distance from the source of

feedstock/raw material, cost of inputs etc. Government of India has followed a deliberate policy of promoting indigenous production of this critical input for achieving self sufficiency in foodgrain production. Imports of urea in required quantity based on careful assessment of gap between the demand and indigenous supply have been made by the Government over the years. It may be mentioned that consumer price of both indigenous and imported urea fertilizers are fixed uniformly and subsidy is also paid on imported fertilizers in order to bridge the difference between the cost of import and statutorily fixed consumer price of urea. The total expenditure on urea subsidy under the Retention Price Scheme given to indigenous urea manufacturing units for the past three years is given below :

(Rs. in crore)

Year	Actual Expenditure
1997-98	7321.96
1998-99	7597.22
1999-2000	8744.07

Production of Fertilizers

4255. SHRI PREM CHAND GUPTA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) whether it is a fact that production of fertilizers during 1998-99 was nearly 13.6 mil. tons which falls short of consumption by over 12 per cent; *

(b) whether this shortfall has been met by imports which invariably involves heavy outgo of foreign exchange; and

(c) what steps are being taken by Government to increase domestic production to meet the growing needs of this sector ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS) : (a) Yes Sir. Total production of nitrogenous and phosphatic fertilizers in 1998-99 was 13.6 million tonnes. Against this, consumption of 15.46 million tonnes, which was higher by 12 per cent.

(b) and (c) The gap in demand and availability from indigenous production and stocks is met by imports. Urea is the only fertilizer which is under price,